

Stock code: 3317

**NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**With Independent Auditors' Review Report**  
**for the three months ended March 31, 2024 and 2023**

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For the convenience of readers and for information purposes only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of two versions, the original Chinese auditors' report and financial statement version shall prevail.

## **Independent Auditors' Review Report**

To the Board of Directors of Niko Semiconductor Co., Ltd.:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Niko Semiconductor Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies). The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As stated in note 4 (2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to NT\$ 262,233 thousand and NT\$ 203,469 thousand, constituting 7.58% and 6.26% of the consolidated total assets; and the total liabilities amounting to NT\$ 4,662 thousand and NT\$ 6,565 thousand, constituting 0.81% and 1.17% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively; as well as the total comprehensive income amounting to NT\$ 9,079 thousand and NT\$ 530 thousand, constituting 18.22% and 1.25% of the consolidated comprehensive income for the three months ended March 31, 2024 and 2023, respectively.

## **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Niko Semiconductor and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan  
Fu, Hong-Wen  
Hong, Shi-Gang  
May 3, 2024

## Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and consolidated financial statements shall prevail.

**Niko Semiconductor and Subsidiaries**

**Consolidated Balance Sheet**

**March 31, 2024, December 31 and March 31, 2023**

**Unit: NTS thousands**

(The consolidated balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets</b>								<b>Current liabilities</b>							
1100	Cash and equivalent cash (Note 6(1))	\$ 1,368,983	39	1,377,454	39	1,049,199	32	2120	Financial liabilities measured at fair value through profits and losses - Current(Note 6(2))	\$ 1,933	-	-	-	-	-
1110	Financial assets measured at fair value through profits and losses - Current(Note 6(2))	-	-	7,112	-	1,469	-	2170	Accounts payable	355,682	11	494,205	14	241,097	7
1170	Net accounts receivable(Note 6(3)and(15))	706,775	20	748,043	21	809,442	25	2180	Accounts payable-Related parties (Note 7)	-	-	1,041	-	251	-
1180	Accounts receivable – Net amount of Related parties(Note 6(3) 、(15) and 7)	640	-	545	-	-	-	2200	Other payable(including related parties) (Note 7)	176,868	5	147,906	4	215,931	7
1200	Other receivables(including related parties) (Note 7)	15,480	1	17,098	1	15,169	-	2230	Current income tax liabilities	32,515	1	21,268	1	92,082	3
130X	Inventory (Note 6(4))	695,482	20	721,871	20	723,528	22	2280	Lease liabilities - Current (Note 6(9))	2,196	-	2,699	-	2,360	-
1470	Other current assets(Note 9)	29,903	1	28,672	1	51,095	2	2300	Other current liabilities(Note 6(15))	1,146	-	1,137	-	3,003	-
	<b>Total current assets</b>	<u>2,817,263</u>	<u>81</u>	<u>2,900,795</u>	<u>82</u>	<u>2,649,902</u>	<u>81</u>		<b>Total current liabilities</b>	<u>570,340</u>	<u>17</u>	<u>668,256</u>	<u>19</u>	<u>554,724</u>	<u>17</u>
<b>Non-current assets:</b>								<b>Non-current liabilities:</b>							
1550	Investments by equity method(Note 6(5))	177,291	5	170,603	5	148,754	5	2580	Lease liabilities - Non-current (Note 6(9))	843	-	974	-	1,844	-
1600	Property, plant and equipment (Note 6(6) and 8)	313,909	9	313,827	9	300,511	10	2600	Other non-current liabilities	2,303	-	2,371	-	3,228	-
1755	Use Right assets (Note 6(7))	2,951	-	3,575	-	4,103	-		<b>Total non-current liabilities</b>	<u>3,146</u>	<u>-</u>	<u>3,345</u>	<u>-</u>	<u>5,072</u>	<u>-</u>
1760	Net Investment property (Note 6(8) and 8)	70,212	2	70,363	2	70,818	2		<b>Total liabilities</b>	<u>573,486</u>	<u>17</u>	<u>671,601</u>	<u>19</u>	<u>559,796</u>	<u>17</u>
1840	Deferred income tax assets	14,786	1	14,786	-	11,789	-	<b>Equity attributable to the owner of the parent company:</b>							
1900	Other non-current assets(Note 9)	61,215	2	60,374	2	66,661	2	3110	Capital stock of common stock	710,518	21	710,518	20	612,515	19
	<b>Total non-current assets</b>	<u>640,364</u>	<u>19</u>	<u>633,528</u>	<u>18</u>	<u>602,636</u>	<u>19</u>	3200	Capital reserves	630,512	18	630,512	18	630,512	19
								3310	Legal reserves	246,390	7	246,390	7	202,903	6
								3320	Special reserves	3,288	-	3,288	-	3,645	-
								3350	Undistributed earnings (Note 6(13))	1,288,790	37	1,272,482	36	1,246,206	39
								3400	Other equity	4,643	-	(468)	-	(3,039)	-
									<b>Total equity</b>	<u>2,884,141</u>	<u>83</u>	<u>2,862,722</u>	<u>81</u>	<u>2,692,742</u>	<u>83</u>
									<b>Total liabilities and equity</b>	<u>\$ 3,457,627</u>	<u>100</u>	<u>3,534,323</u>	<u>100</u>	<u>3,252,538</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 3,457,627</u>	<u>100</u>	<u>3,534,323</u>	<u>100</u>	<u>3,252,538</u>	<u>100</u>								

The accompanying notes are an integral part of the consolidated financial statements.

**Niko Semiconductor and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three-month periods ended March 31, 2024 and 2023**  
**(Reviewed, not audited)**

**Unit: NT\$ thousands**

		For the three-month periods ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating income (Note 6(15) and 7)</b>	\$ 523,597	100	597,058	100
5000	<b>Operating costs (Note 6(4), (11), (16), 7 and 12)</b>	386,309	74	453,434	76
	<b>Gross operating profits</b>	137,288	26	143,624	24
	<b>Operating expenses (Note 6(3), (9),(11), (16), 7 and 12):</b>				
6100	Sales promotion expenses	20,961	4	20,626	3
6200	Management expenses	27,001	5	24,007	4
6300	Research and development expenses	42,984	8	39,683	7
6450	Expected credit impairment loss	(21)	-	48	-
	<b>Total operating expenses</b>	90,925	17	84,364	14
	<b>Net operating profits</b>	46,363	9	59,260	10
	<b>Non-operating income and expenditure :</b>				
7010	Other income (Note 6(17) and 7)	1,261	-	833	-
7020	Other profit and loss (Note 6(17))	6,579	1	(7,265)	(1)
7050	Financial costs (Note 6(9),(17))	(31)	-	(53)	-
7060	Share of interests of affiliated enterprises recognized by equity method (Note 6(5))	1,845	1	(296)	-
	<b>Total non-operating income and expenditure</b>	9,654	2	(6,781)	(1)
	<b>Net profit before tax</b>	56,017	11	52,479	9
7950	<b>Minus: Income tax expenses (Note 6(12))</b>	11,288	2	10,415	2
	<b>Net profit</b>	44,729	9	42,064	7
8300	<b>Other comprehensive income:</b>				
8310	<b>Items not reclassified to profit and loss</b>				
8320	Share of Other comprehensive income of affiliated enterprises recognized by equity method (Note 6(5))	4,843	1	115	-
8349	Income tax related to items not reclassified	-	-	-	-
	<b>Total Items not reclassified to profit and loss</b>	4,843	1	115	-
8360	<b>Items that may be reclassified to profit and loss in subsequent periods</b>				
8361	Exchange differences on the translation of financial statements of foreign operating organizations	268	-	134	-
8399	Income tax related to items that may be reclassified	-	-	-	-
	<b>Total items that may be reclassified to profit and loss in subsequent periods</b>	268	-	134	-
8300	<b>Other comprehensive income</b>	5,111	1	249	-
	<b>Total comprehensive income</b>	\$ 49,840	10	42,313	7
	<b>Earnings per share (NTD) (Note 6(14))</b>				
	<b>Basic earnings per share (NTD)</b>	\$ 0.63		0.59	
	<b>Diluted earnings per share (NTD)</b>	\$ 0.62		0.57	

The accompanying notes are an integral part of the consolidated financial statements.

**Niko Semiconductor and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the three-month periods ended March 31, 2024 and 2023**  
**(Reviewed, not audited)**

Unit: NT\$ thousands

	Equity attributable to owners of parent company					Items of Other Equity		Total Equity
	Capital stock of common stock	Capital reserves	Retained Earnings		Undistributed earnings	Exchange differences on the translation of foreign operating organizations	Unrealized profit or loss on financial assets measured at fair value through other comprehensive income	
			Legal reserves	Special reserves				
<b>Balance on January 1, 2023</b>	\$ 612,515	630,512	202,903	3,645	1,228,643	(2,619)	(669)	2,674,930
Net profit	-	-	-	-	42,064	-	-	42,064
Other comprehensive income	-	-	-	-	-	134	115	249
Total comprehensive income	-	-	-	-	42,064	134	115	42,313
Appropriation and distribution of earnings:								
Cash dividend of common stock	-	-	-	-	(24,501)	-	-	(24,501)
<b>Balance on March 31, 2023</b>	<b>\$ 612,515</b>	<b>630,512</b>	<b>202,903</b>	<b>3,645</b>	<b>1,246,206</b>	<b>(2,485)</b>	<b>(554)</b>	<b>2,692,742</b>
<b>Balance on January 1, 2024</b>	\$ 710,518	630,512	246,390	3,288	1,272,482	(2,811)	2,343	2,862,722
Net profit	-	-	-	-	44,729	-	-	44,729
Other comprehensive income	-	-	-	-	-	268	4,843	5,111
Total comprehensive income	-	-	-	-	44,729	268	4,843	49,840
Appropriation and distribution of earnings:								
Cash dividend of common stock	-	-	-	-	(28,421)	-	-	(28,421)
<b>Balance on March 31, 2024</b>	<b>\$ 710,518</b>	<b>630,512</b>	<b>246,390</b>	<b>3,288</b>	<b>1,288,790</b>	<b>(2,543)</b>	<b>7,186</b>	<b>2,884,141</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Niko Semiconductor and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
For the three-month periods ended March 31, 2024 and 2023  
(Reviewed, not audited)

	<b>Unit: NT\$ thousands</b>	
	<b>For the three-month periods</b>	
	<b>ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows of operating activities:</b>		
<b>Current net profit before tax</b>	\$ 56,017	52,479
<b>Items of adjustment:</b>		
Income expense loss item		
Depreciation expenses	7,473	6,694
Amortization expenses	630	152
Expected credit impairment loss (Reversal benefit)	(21)	48
Interest expenses	31	53
Interest income	(155)	(86)
Share of interests of affiliated enterprises recognized by equity method	(1,845)	296
Other	(1,451)	25,237
Total income expense loss item	4,662	32,394
Changes in assets and liabilities related to operating activities:		
Financial assets at fair value through profit or loss	7,112	(1,152)
Accounts receivable(including related parties)	41,194	(72,017)
Other receivables(including related parties)	1,618	3,017
Inventory	27,840	64,259
Other current assets	(2,858)	(3,617)
Long-term prepayment	3,525	2,059
Total net changes in assets related to operating activities	78,431	(7,451)
Financial liabilities at fair value through profit or loss	1,933	-
Accounts payable(including related parties)	(139,564)	(191,176)
Other payables(including related parties)	545	(38,332)
Other current liabilities	9	227
Net defined benefit liabilities	(57)	(559)
Total net changes in liabilities related to operating activities	(137,134)	(229,840)
Total net changes in assets and liabilities related to operating activities	(58,703)	(237,291)
Total items of adjustment	(54,041)	(204,897)
Cash inflow from operations	1,976	(152,418)
Collected interest	155	86
Paid interest	(31)	(53)
Paid income tax	(45)	-
<b>Net cash inflow from operating activities</b>	<b>2,055</b>	<b>(152,385)</b>
<b>Cash flows of investment activities:</b>		
Acquisition of property, plant and equipment	(6,711)	(1,732)
Decrease in refundable deposit	2,399	2,500
Acquisition of intangible assets	(5,768)	(98)
<b>Net cash outflow from investment activities</b>	<b>(10,080)</b>	<b>670</b>
<b>Cash flows from financing activities:</b>		
Decrease in deposits received	(11)	-
Repayment of lease principal	(669)	(575)
<b>Net cash outflow from financing activities</b>	<b>(680)</b>	<b>(575)</b>
Impact of exchange rate changes on cash and equivalent cash	234	46
<b>Current decrease of cash and equivalent cash</b>	<b>(8,471)</b>	<b>(152,244)</b>
<b>Beginning balance of cash and equivalent cash</b>	<b>1,377,454</b>	<b>1,201,443</b>
<b>Ending balance of cash and equivalent cash</b>	<b>\$ 1,368,983</b>	<b>1,049,199</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Niko Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**For the three-month periods ended March 31, 2024 and 2023**  
**(Unless otherwise specified, all amounts are in unit of NTS thousands)**  
**(Reviewed, not audited)**

**I. Company evaluation**

Niko Semiconductor Co., Ltd. (hereinafter referred to as the Company) was established with the approval of the Ministry of Economy on October 8, 1998. Its original name was Super GEM Co., Ltd. In April 2001, the Company changed its name to the existing name and registered at 12th floor, No.368, Gongjian Road, Xizhi District, New Taipei City. The Company and its subsidiaries' (hereinafter referred to as the merged Company) main business are the research, development, design and sales of analog IC that can be applied to communications, computers, computer peripherals, video, power supply and other consumer products. Please refer to Note 14 for details. The Company's shares have been listed and traded on Taiwan OTC since August 2007.

**II. Date and Procedure of Adoption of Financial Report**

The consolidated financial report was approved and released by the Board of Directors on May 3, 2024.

**III. Application of newly issued and revised standards and interpretations**

(I) Effect of adoption of the amendments and interpretations endorsed by the Financial Supervisory Commission ("FSC")

The merged Company adopted the following newly amended IFRS since January 1, 2024, which did not have a material impact on the consolidated financial statements.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current liabilities with covenant"
- Amendments to IAS 7 and IFRS 7 "supplier finance arrangements"
- Amendments to IFRS 16 "Lease liability in a Sale and Leaseback"

(II) New and amended standards and interpretations not yet endorsed by the FSC

The standards and interpretations issued and amended by the International Accounting Standards Board ("IASB") not yet endorsed by the FSC but may be relevant to the merged Company are as follows:

<u>Release date</u>	<u>Newly Issued or Amended Standards</u>	<u>Major Amendments</u>	<u>Effective Date of Standards Issued by the IASB</u>
April 9, 2024	Amendments to IFRS 18 "Presentation and Disclosure of Financial Statements"	• The new standard introduces three categories of income and expense, two income statement subtotals and a single note on management's performance measurement. These three amendments and strengthened guidance on how to segment information in financial statements lay the foundation for providing users with better and more	January 1, 2027



## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

Release date	Newly Issued or Amended Standards	Major Amendments	Effective Date of Standards Issued by the IASB
		<p>consistent information and will impact all companies.</p> <ul style="list-style-type: none"> <li>• More structured income statements: Under current standards, companies use different formats to express their operating results, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured income statement, introduces a new definition of "operating profit" subtotal, and stipulates that all income and expenses and losses will be classified into three new different categories based on the company's main operating activities.</li> <li>• Management performance measurement (MPM): The new standard introduces the definition of management performance measurement and requires companies to explain, for each measurement indicator in a single note to the financial statements, why it provides useful information, how it is calculated, and how it combines the measurement indicator. Reconciled with amounts recognized under IFRS accounting standards.</li> <li>• More granular information: The new standard includes guidance on how companies can enhance the grouping of information in their financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in the notes.</li> </ul>	

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

The merged Company continues to evaluate the effect of the above standards and interpretations posed on the merged Company’s financial condition and management results. Related effects will be disclosed upon the completion of the evaluation.

The merged Company expects that the following other newly issued and amended standards not yet endorsed will not have a major impact the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- Amendments to IAS 21 “Lack of Convertibility”

### IV. Summary of Major Accounting Policies

#### (I) Statement

The consolidated financial report is prepared in accordance with the securities issuer’s financial report preparation standards (hereinafter referred to as Standards) and the IAS No. 34 Interim Financial Report approved and issued by the FSC. This consolidated financial report does not include all necessary information to be disclosed in the entire annual consolidated financial report prepared in accordance with the IFRS, IAS, and Interpretation and Interpretation Announcement approved and issued by the FSC (hereinafter referred to as IFRS recognized by the FSC).

Except for the following, the major accounting policies adopted in this consolidated financial report are the same as those in the consolidated financial report of 2023. For relevant information, please refer to Note 4 to the consolidated financial report of 2023.

#### (II) Consolidated basis

Subsidiaries included in this consolidated financial report include:

Name of investment company	Name of subsidiary company	Nature of business	Holding equity percentage			Explanation
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Jinrong Investment Co., Ltd. (Jinrong Investment)	Holding company	100%	100%	100%	Note
The Company	Power Up Tech Co., Ltd. (Power Up)	Holding company	100%	100%	100%	Note
Power Up	Wuxi Super GEM Microelectronics Co, Ltd. (Wuxi Super GEM)	Metal oxide semiconductor manufacturing, development and sales business, product quality monitoring and testing services; Selling self-produced products	100%	100%	100%	Note

Note: Non-significant subsidiary, and its financial report has not been reviewed by the accountant.

#### (III) Tax

The merged company measures and discloses the tax expenses for the interim period in accordance with paragraph B12 of IAS No.34 Interim Financial Report.

Tax expense is measured by multiplying the net profit before tax for the reporting

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

period by the management's best estimate of the expected effective tax rate for the whole year and is fully recognized as tax expense for the current period.

Where tax expenses are recognized directly in equity items or other comprehensive profit and loss items, the temporary difference between the book amount of related assets and liabilities for financial reporting purposes and their tax basis is measured by the applicable tax rate when expected to be realized or settled.

### (IV) Employee benefits

The defined welfare plan pension for the interim period is calculated on the basis of the actuarial determination of the pension cost rate on the reporting date of the previous fiscal year from the beginning of the year to the end of the current period, and adjusted for major market fluctuations, major reductions, liquidations or other major one-off events after the reporting date.

## V. Major Sources of Uncertainty in Major Accounting Judgments, Estimates and Assumptions

Management must make judgments, estimates and assumptions when preparing this consolidated financial report in accordance with the preparation standards and IAS No.34 Interim Financial Report recognized by the FSC, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

When preparing the consolidated financial report, the major judgment and the main source of estimation uncertainty made by the management when adopting the accounting policies of the merged company are consistent with Note 5 to the consolidated financial report of 2023.

The accounting policies involved major judgments and has major impact on the amounts recognized in this consolidated financial report as followed:

### Judgment on whether the invested company has substantial control

The merged company holds 15.04% of the voting shares of Green Solution Technology Co., Ltd. (hereinafter referred to as "Green Solution Technology"), and is the single largest shareholder. Although the remaining shares of Green Solution Technology are not concentrated in specific shareholders, the merged company still unable to obtain more than half of the directors of Green Solution Technology. So it has a major influence on Green Solution Technology.

The merged company holds 36.69% of the voting shares of Super Group Semiconductor Co., Ltd. (hereinafter referred to as "Super Group Semiconductor"), which is its single largest shareholder. Although the remaining shares of Super Group Semiconductor are concentrated in specific shareholders, the merged company still cannot obtain more than half of the board seats of Super Group Semiconductor, so it is judged that the merged company has only significant influence on Super Group Semiconductor.

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### VI. Description of Important Accounting Items

Except for the following, there is no significant difference between the description of important accounting items in this consolidated financial report and the consolidated financial report of 2023. For relevant information, please refer to Note 6 to the consolidated financial report of 2023.

#### (I) Cash and equivalent cash

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and petty cash	\$ 346	371	254
Checks and demand deposits	1,368,637	1,377,083	1,048,945
	<u>\$ 1,368,983</u>	<u>1,377,454</u>	<u>1,049,199</u>

#### (II) Financial assets(liabilities) measured at fair value through profit or loss

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Non-hedging derivative instruments			
Exchange transaction contract	<u>\$ (1,933)</u>	<u>7,112</u>	<u>1,469</u>

As at March 31, 2024, December 31 and March 31 of 2023 the details of derivative instruments of financial assets(liabilities) held for trading due to the non-application of hedge accounting are as follows:

<u>March 31, 2024</u>				
<u>Derivative financial commodities</u>	<u>Nominal principal (NT\$ thousands)</u>	<u>Maturity date</u>	<u>Delivery rate</u>	
Exchange transaction contract- NT\$ in/ US\$ out	US\$ 8,900	April 22, 2024~April 23, 2024	31.692~31.760	
<u>December 31, 2023</u>				
<u>Derivative financial commodities</u>	<u>Nominal principal (NT\$ thousands)</u>	<u>Maturity date</u>	<u>Delivery rate</u>	
Exchange transaction contract-NT\$ in/US\$ out	US\$ 12,460	January 10, 2024~ January 18, 2024	31.144~31.270	
<u>March 31, 2023</u>				
<u>Derivative financial commodities</u>	<u>Nominal principal (NT\$ thousands)</u>	<u>Maturity date</u>	<u>Delivery rate</u>	
Exchange transaction contract- NT\$ in/ US\$ out	US\$ 18,690	April 10, 2023~April 21, 2023	30.260~30.666	

#### (III) Accounts receivable (including related parties)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable	\$ 707,694	748,983	810,388
Accounts receivable-Related parties	640	545	-
Less: allowance for losses	(919)	(940)	(946)
	<u>\$ 707,415</u>	<u>748,588</u>	<u>809,442</u>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

1. The merged company adopts a simplified approach to estimate the expected credit loss for all Accounts receivable(including related parties), i.e. using the expected credit loss during the duration. For this measurement purpose, these accounts receivable(including related parties) are grouped according to the common credit risk characteristics representing the customer's ability to pay all due amounts according to the contract terms , and have incorporated forward-looking information like macro economy and related industry has been included. An analysis of the expected credit losses of the merged company's accounts receivable(including related parties) is as follows:

	<b>March 31, 2024</b>		
	<b>Book amount of accounts receivable(including related parties)</b>	<b>Weighted average expected credit loss rate</b>	<b>Expected credit loss during allowance duration</b>
Not overdue	\$ 706,469	0.1%~0.2%	846
1~30 days overdue	1,395	1%~2%	22
31~90 days overdue	470	10%~50%	51
91~180 days overdue	-	50%~70%	-
181~360 days overdue	-	100%	-
	<b><u>\$ 708,334</u></b>		<b><u>919</u></b>

	<b>December 31, 2023</b>		
	<b>Book amount of accounts receivable(including related parties)</b>	<b>Weighted average expected credit loss rate</b>	<b>Expected credit loss during allowance duration</b>
Not overdue	\$ 748,227	0.1%~0.2%	916
1~30 days overdue	1,301	1%~2%	24
31~90 days overdue	-	10%~50%	-
91~180 days overdue	-	50%~70%	-
181~360 days overdue	-	100%	-
	<b><u>\$ 749,528</u></b>		<b><u>940</u></b>

	<b>March 31, 2023</b>		
	<b>Book amount of accounts receivable(including related parties)</b>	<b>Weighted average expected credit loss rate</b>	<b>Expected credit loss during allowance duration</b>
Not overdue	\$ 809,123	0.1%~0.2%	927
1~30 days overdue	1,265	1%~2%	19
31~90 days overdue	-	10%~50%	-
91~180 days overdue	-	50%~70%	-
181~360 days overdue	-	100%	-
	<b><u>\$ 810,388</u></b>		<b><u>946</u></b>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

2. The statement of changes in allowance losses for Accounts receivable(including related parties) of the merged company is as follows:

	<b>For the three-month periods ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at beginning of period	\$ 940	898
Impairment losses recognized	-	48
Impairment losses reversal benefit	<u>(21)</u>	<u>-</u>
Balance at end of period	<b><u>\$ 919</u></b>	<b><u>946</u></b>

3. As of March 31, 2024, December 31 and March 31 of 2023, the Accounts receivable(including related parties) of the merged company has not been provided as pledge guarantee.

### (IV) Inventory

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Raw materials	\$ 53,535	51,451	51,414
Work in process and semi-finished goods	441,878	463,268	467,144
Finished goods and commodity	<u>200,069</u>	<u>207,152</u>	<u>204,970</u>
	<b><u>\$ 695,482</u></b>	<b><u>721,871</u></b>	<b><u>723,528</u></b>

1. In addition to the cost of inventory sold, the composition of inventory-related expenses and losses recognized as cost of goods sold by the merged company is as follows:

	<b>For the three-month periods ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Inventory depreciation loss(Reversal benefit)	<b><u>(1,451)</u></b>	<b><u>25,237</u></b>

2. As of March 31, 2024, December 31 and March 31 of 2023, the inventory of the merged company has not been provided as pledge guarantee.

### (V) Investments using equity method

The investments of the merged company using the equity method on the reporting date are listed as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Affiliated enterprise	<b><u>\$ 177,291</u></b>	<b><u>170,603</u></b>	<b><u>148,754</u></b>

1. The profits and losses of affiliated enterprises enjoyed by the merged company are listed as follows:

	<b>For the three-month periods ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Net profit (loss)	\$ 1,845	(296)
Other comprehensive income	<u>4,843</u>	<u>115</u>
Comprehensive income	<b><u>\$ 6,688</u></b>	<b><u>(181)</u></b>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

2. As of March 31, 2024, December 31 and March 31 of 2023, the investment of the merged company using the equity method has not been provided as pledge guarantee.

### (VI) Property, plant and equipment

Details of changes in costs and accumulated depreciation of the merged company's property, plant and equipment are as follows:

	<u>Land</u>	<u>Houses and building</u>	<u>Office equipment and other</u>	<u>Equipment to be inspected</u>	<u>Total</u>
<b>Cost:</b>					
Balance on January 1, 2024	\$ 161,823	114,227	128,396	15,040	419,486
Increase	-	352	4,008	2,351	6,711
Reclassified into (out)	-	-	987	(987)	-
Influence of exchange rate changes	-	-	300	-	300
Balance on March 31, 2024	<u>\$ 161,823</u>	<u>114,579</u>	<u>133,691</u>	<u>16,404</u>	<u>426,497</u>
Balance on January 1, 2023	\$ 161,823	114,728	111,196	5,173	392,920
Increase	-	-	1,442	290	1,732
Reclassified into (out)	-	-	14	(14)	-
Disposal	-	(275)	(1,909)	-	(2,184)
Influence of exchange rate changes	-	-	87	-	87
Balance on March 31, 2023	<u>\$ 161,823</u>	<u>114,453</u>	<u>110,830</u>	<u>5,449</u>	<u>392,555</u>
<b>Accumulated depreciation:</b>					
Balance on January 1, 2024	\$ -	35,762	69,897	-	105,659
Depreciation in this year	-	701	5,963	-	6,664
Influence of exchange rate changes	-	-	265	-	265
Balance on March 31, 2024	<u>\$ -</u>	<u>36,463</u>	<u>76,125</u>	<u>-</u>	<u>112,588</u>
Balance on January 1, 2023	\$ -	33,517	54,680	-	88,197
Depreciation in this year	-	726	5,229	-	5,955
Disposal	-	(275)	(1,909)	-	(2,184)
Influence of exchange rate changes	-	-	76	-	76
Balance on March 31, 2023	<u>\$ -</u>	<u>33,968</u>	<u>58,076</u>	<u>-</u>	<u>92,044</u>
<b>Book amount:</b>					
January 1, 2024	<u>\$ 161,823</u>	<u>78,465</u>	<u>58,499</u>	<u>15,040</u>	<u>313,827</u>
March 31, 2024	<u>\$ 161,823</u>	<u>78,116</u>	<u>57,566</u>	<u>16,404</u>	<u>313,909</u>
January 1, 2023	<u>\$ 161,823</u>	<u>81,211</u>	<u>56,516</u>	<u>5,173</u>	<u>304,723</u>
March 31, 2023	<u>\$ 161,823</u>	<u>80,485</u>	<u>52,754</u>	<u>5,449</u>	<u>300,511</u>

As of March 31, 2024, December 31 and March 31 of 2023, the merged Company's property, plant and equipment have been used as bank loan and financing limit guarantees. Please refer to Note 8 for details.

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### (VII) Right-of-use assets

	<u>Transportation Equipment</u>	<u>House and building</u>	<u>Total</u>
<b>Book value:</b>			
January 1, 2024	\$ <u>1,488</u>	<u>2,087</u>	<u>3,575</u>
March 31, 2024	\$ <u>1,357</u>	<u>1,594</u>	<u>2,951</u>
January 1, 2023	\$ <u>-</u>	<u>4,664</u>	<u>4,664</u>
March 31, 2023	\$ <u>-</u>	<u>4,103</u>	<u>4,103</u>

Between January 1 to March 31, 2024, and 2023, there were no significant recognition or reversals of increases, disposals or impairments of right-of-use assets of the merged Company's leased offices and official cars. Please refer to Note 12 for the depreciation amount for the current period; for other related information, please refer to Note 6(7) of the 2023 Consolidated Financial Report.

### (VIII) Investing property

Investing property is an office building leased to a third party by a merged company under operating lease. The original irrevocable period for leased investing property is one to three years. Rental income of leased investing property is a fixed amount. Please refer to Note 6 (10) for relevant information.

	<u>Land</u>	<u>Houses and building</u>	<u>Total</u>
<b>Book amount:</b>			
Balance on January 1, 2024	\$ <u>48,068</u>	<u>22,295</u>	<u>70,363</u>
Balance on March 31, 2024	\$ <u>48,068</u>	<u>22,144</u>	<u>70,212</u>
Balance on January 1, 2023	\$ <u>48,068</u>	<u>22,902</u>	<u>70,970</u>
Balance on March 31, 2023	\$ <u>48,068</u>	<u>22,750</u>	<u>70,818</u>

1. Between January 1 to March 31, 2024, and 2023, there were no significant recognition or reversals of increases, disposals or impairments of the merged Company's investment properties. Please refer to Note 12 for the depreciation amount for the current period; for other related information, please refer to Note 6(8) of the 2023 Consolidated Financial Report.
2. There is no significant difference between the fair value of the investing property of the merged company and the information disclosed in Note 6 (8) of the consolidated financial report of 2023.
3. As of March 31, 2024, December 31 and March 31 of 2023, the merged Company's investment properties have been used as bank loan and financing limit guarantees. Please refer to Note 8 for details.



## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### (IX) Lease liabilities

The book amount of leasing liabilities of the merged company are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	<u>\$ 2,196</u>	<u>2,699</u>	<u>2,360</u>
Non-current	<u>\$ 843</u>	<u>974</u>	<u>1,844</u>

1. For maturity analysis, please refer to Note 6 (18) Financial Instruments.

2. The amounts recognized in profit or loss are as follows:

	<u>For the three-month periods ended</u> <u>March 31</u>	
	<u>2024</u>	<u>2023</u>
Interest expense on lease liabilities	<u>\$ 31</u>	<u>53</u>
Rental charges for short-term leases and low-value assets	<u>\$ 217</u>	<u>257</u>

3. The amounts recognized in the statement of cash flows are as follows:

	<u>For the three-month periods ended</u> <u>March 31</u>	
	<u>2024</u>	<u>2023</u>
Rental payments for operating activities	\$ (217)	(257)
Interest payments on lease liabilities for operating activities	(31)	(53)
Repayment of lease principal for financing activities	<u>(669)</u>	<u>(575)</u>
Total cash outflow from leases	<u>\$ (917)</u>	<u>(885)</u>

#### 4. Lease of houses and buildings and transportation equipment

Houses and buildings and transportation equipment leased by the merged company as office premises and official car, the lease period is usually three years.

#### 5. Other leases

The merged company leased the employee dormitories, office equipment and parking space with a lease period of one to five years, and these leases are short-term or low-value target leases. The merged company chooses to apply the exemption provisions instead of recognizing its related right-of-use assets and lease liabilities.

### (X) Operating lease

The merged company leases its investing property. Since almost all risks and rewards attached to the ownership of the underlying assets have not been transferred, these lease contracts are classified as operating leases. Please refer to Note 6 (8) for details of investing property. Maturity analysis of lease payments to report the total undiscounted lease payments to be collected in the future are listed in the following table:

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Less than 1 year	\$ 2,879	2,887	2,890
1 to 2 years	2,619	2,861	2,863
2 to 3 years	-	476	2,619
3 to 4 years	-	-	-
4 to 5 years	-	-	-
More than 5 years	-	-	-
Total undiscounted payments	<u>\$ 5,498</u>	<u>6,224</u>	<u>8,372</u>

### (XI) Employee benefits

#### 1. Determine the welfare plan

Since there were no major market fluctuations, major reductions, liquidations or other major one-off events after the end of the previous fiscal year, the merged company adopted the pension costs determined by actuarial calculations on December 31, 2023 and 2022 to measure and disclose the pension costs during the interim period.

	<u>For the three-month periods ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Operating costs	\$ -	10
Selling expenses	-	7
Administrative expenses	8	82
Research and development expenses	-	10
	<u>\$ 8</u>	<u>109</u>

#### 2. Determine the allocation plan

The pension expenses under the merged Company's Defined Pension Contribution Plan are as follows. The merged Company's pension expenses have been transferred to the Labor Insurance Bureau. Pension expenses to other overseas subsidiaries included in the consolidated financial report have been allocated in accordance with local laws and regulations.

	<u>For the three-month periods ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Operating costs	\$ 459	456
Selling expenses	318	334
Administrative expenses	385	388
Research and development expenses	715	687
	<u>\$ 1,877</u>	<u>1,865</u>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### (XII) Tax

1. Details of tax expenses of the merged company are as follows:

	<u>For the three-month periods ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Current tax expense	<u>\$ 11,288</u>	<u>10,415</u>

2. The merged Company's tax expenses of equity have not been recognized in January 1 to March 31 of 2024 and 2023 directly.
3. The merged Company's tax expenses under other comprehensive profit and loss have not been recognized in January 1 to March 31 of 2024 and 2023.
4. The merged Company's profit-making enterprise tax settlement declaration has been approved by the tax collection authority as follows:

	<u>Approved Year</u>
The Company	<b>Has been approved to 2022</b>
Jinrong Investment	<b>Has been approved to 2022</b>

### (XIII) Capital and other equity

Except for the following, there was no significant change in the capital and other equity of the company between January 1 to March 31 of 2024 and 2023. For relevant information, please refer to Note 6 (13) of the consolidated financial report of 2023.

1. Retained earnings

According to the Articles of Association of the Company, if there is any surplus in the Company's annual total final accounts, taxes shall be paid first to make up for the accumulated losses. The next 10% shall be the legal reserve (but the legal reserve shall not be paid when it reaches the paid-in capital of the Company) and the rest shall be listed or reversed according to law. If there is any surplus, and the surplus shall be distributed cumulatively with the previous year, the Board of Directors shall draw up a surplus distribution proposal and submit it to the shareholders' meeting for resolution to distribute dividends and bonuses. If the distribute dividends and bonuses of all or part of the dividends in the preceding paragraph is in the form of cash, the board of directors shall be authorized to make a resolution and shall be reported to the shareholders' meeting.

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### (2) Distribution of earnings

The Company's motion for earnings distribution of cash dividends for 2023 proposed by the Board of Directors on March 12, 2024, and proposed the amount of stock dividends for 2023 earnings distribution. The Company's motion for earnings distribution for 2022 proposed by the Board of Directors on March 17, 2023, other earnings distribution items were resolved by the shareholders' meeting on June 7, 2023, the dividends distributed to owners is as follows:

	2023		2022	
	Share allotment rate (yuan)	Amount	Share allotment rate (yuan)	Amount
Dividends to ordinary owners:				
Cash	\$ 0.4	28,421	0.4	24,500
Stock	1.4	<u>99,482</u>	1.6	<u>98,003</u>
Total		<u>\$ 127,903</u>		<u>\$ 122,503</u>

### (XIV) Earnings per share

The calculation of the merged company's basic earnings per share and diluted earnings per share is as follows:

	For the three-month periods ended March 31	
	2024	2023
<b>Basic earnings per share:</b>		
Current net profit attributable to the Company	<u>\$ 44,729</u>	<u>42,064</u>
Weighted average number of ordinary shares in circulation(thousand shares)	<u>71,052</u>	<u>71,052</u>
Earnings per share (yuan)	<u>\$ 0.63</u>	<u>0.59</u>
<b>Dilute earnings per share:</b>		
Current net profit attributable to the Company	<u>\$ 44,729</u>	<u>42,064</u>
Weighted average number of ordinary shares in circulation(thousand shares)(dilution)	<u>72,140</u>	<u>73,290</u>
Earnings per share (yuan)	<u>\$ 0.62</u>	<u>0.57</u>
<b>Weighted average number of ordinary shares in circulation (thousand shares)(dilution):</b>		
Weighted average number of ordinary shares in circulation (basic)	71,052	71,052
Impact of employee remuneration	<u>1,088</u>	<u>2,238</u>
Weighted average number of ordinary shares in circulation (dilution)	<u>72,140</u>	<u>73,290</u>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### (XV) Revenue from customer contracts

#### 1. Breakdown of income

	<u>For the three-month periods ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Major regional markets:		
Taiwan	\$ 77,271	95,229
Mainland China	432,183	488,140
Other countries	<u>14,143</u>	<u>13,689</u>
	<u>\$ 523,597</u>	<u>597,058</u>
Main products:		
Power MOSFET	\$ 522,596	593,680
Other	<u>1,001</u>	<u>3,378</u>
	<u>\$ 523,597</u>	<u>597,058</u>

#### 2. Contract balance

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable(including related parties)	\$ 708,334	749,528	810,388
Less: allowance for losses	<u>(919)</u>	<u>(940)</u>	<u>(946)</u>
Total	<u>\$ 707,415</u>	<u>748,588</u>	<u>809,442</u>

Please refer to Note 6 (3) for details of disclosure of Accounts receivable(including related parties) and its impairment.

### (XVI) Remuneration of employees and directors

According to the Company's Articles of Association, if there is any profit in the year, no less than 10% shall be allocated as employee remuneration and no more than 5% as director remuneration. The remuneration of employees is decided by the Board of Directors to be distributed in stock or cash, and the target of distribution includes employees of subordinate companies who meet certain conditions. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the employee remuneration and the director remuneration according to the proportion mentioned in the preceding paragraph.

The estimated amounts of remuneration for employees of the Company from January 1 to March 31 of 2024 and 2023 were NT\$ 9,569 thousand and NT\$ 8,957 thousand respectively. The estimated amounts of remuneration for directors were NT\$ 2,734 thousand and NT\$ 2,559 thousand respectively. This was estimated based on the amount of the

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

company's net profit before tax deduction of employees', directors' and supervisors' compensation, multiplied by the distribution percentage of employees' compensation and directors' and supervisors' compensation stipulated in the Articles of Association. And report it as the operating cost or operating expense for that period. If there is any difference between the actual distribution and the estimated amount for the next year, the change shall be treated according to the accounting estimation and recognized as the profit and loss for the next year.

The Company's estimated compensation for employees in 2023 and 2022 were NT\$ 48,372 thousand and NT\$ 95,199 thousand respectively, while the compensation for directors and supervisors were NT\$ 13,820 thousand and NT\$ 27,200 thousand respectively, which was no difference from the actual distribution. Relevant information can be found at the Public Information Platform.

### (XVII) Non-operating income and expenditure

#### 1. Other income

Details of other income of the merged company are as follows:

	<b>For the three-month periods ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Other income	<b>\$ 1,261</b>	<b>833</b>

#### 2. Other profit or loss

Details of other profit or loss of the merged company are as follows:

	<b>For the three-month periods ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Net profit (loss) of foreign currency exchange	\$ 8,665	(8,585)
Net profit(loss) of financial assets(liabilities) measured at fair value through profit or loss	(1,933)	1,469
Other	(153)	(149)
	<b>\$ 6,579</b>	<b>(7,265)</b>

#### 3. Finance costs

Details of the finance costs of the merged company are as follows:

	<b>For the three-month periods ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest expense	<b>\$ 31</b>	<b>53</b>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### (XVIII) Financial instruments

Except for the following, there is no significant change in the fair value of financial instruments of the merged company and the exposure to credit risk, liquidity risk and market risk due to financial instruments. Please refer to the note 6 (18) to the consolidated financial report for 2023 for relevant information.

#### 1. Credit risk

##### (1) Credit Risk Exposure

The book amount on financial assets represents the maximum exposure to credit risk.

##### (2) Credit Risk Concentration

On March 31, 2024, December 31 and March 31 of 2023, the merged company received 48%, 42% and 53% of the total Accounts receivable from the top five sales customers respectively, thus causing the merged company to have a concentration of credit risks. In order to reduce credit risks, the merged company regularly and continuously evaluates the financial status of each of these customers and the recovery possibility of their accounts receivable. These customers have good profits and credit records in the past, and the merged company has not suffered any significant credit risk losses due to these customers during the reporting period.

#### 2. Liquidity risk

The following table shows the contractual maturity of financial liabilities, including estimated interest but excluding the impact of net agreements.

	<u>Book amount</u>	<u>Contracted cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>March 31, 2024</b>							
Non-derivative financial liabilities							
Accounts payable (including related parties)\$	355,682	355,682	355,682	-	-	-	-
Other payable(including related parties)	176,868	176,868	176,868	-	-	-	-
Lease liabilities	3,039	3,179	1,452	855	554	318	-
Derivative financial liabilities	1,933						
Outflow	-	282,175	282,175	-	-	-	-
Inflow	-	(284,108)	(284,108)	-	-	-	-
	<b>\$ 537,522</b>	<b>533,796</b>	<b>532,069</b>	<b>855</b>	<b>554</b>	<b>318</b>	<b>-</b>
<b>December 31, 2023</b>							
Non-derivative financial liabilities							
Accounts payable (including related parties)\$	495,246	495,246	495,246	-	-	-	-
Other payable(including related parties)	147,906	147,906	147,906	-	-	-	-
Lease liabilities	3,673	3,873	1,444	1,416	557	456	-
Deposits received	11	11	-	-	-	-	11
	<b>\$ 646,836</b>	<b>647,036</b>	<b>644,596</b>	<b>1,416</b>	<b>557</b>	<b>456</b>	<b>11</b>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

	Book amount	Contracted cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<b>March 31, 2023</b>							
Non-derivative financial liabilities							
Accounts payable (including related parties)\$	241,348	241,348	241,348	-	-	-	-
Other payable(including related parties)	215,931	215,931	215,931	-	-	-	-
Lease liabilities	4,204	4,567	1,340	1,312	1,915	-	-
Deposits received	11	11	-	-	-	-	11
	<b>\$ 461,494</b>	<b>461,857</b>	<b>458,619</b>	<b>1,312</b>	<b>1,915</b>	-	<b>11</b>

The merged Company does not expect the timing of cash flows for the maturity analysis will occur significantly earlier or the actual amounts will be significantly different.

The merged company's capital, working capital and bank financing amount are sufficient to fulfill all contractual obligations, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations. In addition, the unused loan amount of the merged company on March 31, 2024, December 31 and March 31 of 2023 totaled NT\$ 977,500 thousand, NT\$ 962,608 thousand and NT\$ 959,675 thousand respectively.

### 3. Market risk

#### (1) Exchange rate risk

The financial assets and liabilities of the merged company exposed to significant foreign currency exchange rate risks are as follows:

	March 31, 2024			December 31, 2023			March 31, 2023			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	30,299	32,000	969,558	33,402	30,705	1,025,619	34,410	30,450	1,047,780
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		11,417	32,000	365,341	16,416	30,705	504,046	8,102	30,450	246,706

The exchange rate risk of the merged company mainly comes from cash denominated in foreign currency and equivalent cash, accounts receivable, other receivables, accounts payable and other payables, etc. Foreign currency exchange gains and losses are generated during conversion. On March 31, 2024 and 2023, when NT\$ depreciates or appreciates by 1% relative to US\$, while all other factors remain unchanged, the net profit before tax for January 1 to March 31 of 2024 and 2023 will increase or decrease by NT\$ 6,042 thousand and NT\$ 8,011 thousand respectively. The two phases of analysis adopt the same basis.

The exchange rate information for the conversion gains and losses (including realized and unrealized) of the monetary items of the merged company into the functional currency NT\$ (i.e. the expressive currency by the merged company) is as follows:



## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

<u>Functional currency</u>	For the three-month periods ended March 31			
	2024		2023	
	Exchange gains and losses	Average exchange rate	Exchange gains and losses	Average exchange rate
NTD	\$ 8,579	1	(8,433)	1
RMB	<u>86</u>	4.366	<u>(152)</u>	4.441
	<u>\$ 8,665</u>		<u>(8,585)</u>	

#### 4. Interest rate risk

The merged company has not undertaken the debt with floating interest rate, while the financial assets with floating interest rate are bank deposits. The cash flow risk arising from changes in market interest rate is not significant after assessment, so sensitivity analysis has not been conducted.

#### 5. Fair value information

##### (1) Types and fair value of financial instruments

The book and fair value of the financial assets and financial liabilities of the merged company (including fair value grade information, but the book amount of financial instruments not measured at fair value is a reasonable approximation of fair value, and the lease liabilities are not required to disclose fair value information) are shown as follows:

	<u>Book amount</u>	March 31, 2024			
		<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets at amortized cost :</b>					
Cash and equivalent cash	\$ 1,368,983				
Accounts receivable (including related parties)	707,415				
Other receivable(including related parties)	15,480				
Refundable deposits	<u>3,489</u>				
Total	<u>\$ 2,095,367</u>				
<b>Financial liabilities at fair value through profit or loss - Current</b>	<u>\$ 1,933</u>	-	-	1,933	1,933
<b>Financial liabilities at amortized cost :</b>					
Accounts payable (including related parties)	\$ 355,682				
Other payable(including related parties)	176,868				
Lease liabilities	<u>3,039</u>				
Total	<u>\$ 535,589</u>				



## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

(2) Fair value evaluation technology for measuring financial instruments by fair value

The fair value of derivatives is calculated by public quotation. When a public quotation cannot be obtained, the fair value of the contract is calculated based on the spot exchange rate and the exchange points respectively on the respective expiration dates of the contract.

(3) The merged company did not have any fair value level transfer from January 1 to March 31, 2024 and 2023.

(4) List of changes in the Level 3

	<b>Financial assets at fair value through profit or loss</b>
January 1, 2024	\$ 7,112
Purchase/disposal/settlement	(7,112)
Recognized in profit or loss	<u>(1,933)</u>
March 31, 2024	<b><u>\$ (1,933)</u></b>
January 1, 2023	\$ 317
Purchase/disposal/settlement	(317)
Recognized in profit or loss	<u>1,469</u>
March 31, 2023	<b><u>\$ 1,469</u></b>

The above total profits or losses are reported in series as “Other profits and losses”. Among them, the assets held as at March 31, 2024 and 2023 are as follows:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Total profits or losses		
Recognized in profit or loss (reported in “Other profits and losses”)	<b><u>\$ (1,933)</u></b>	<b><u>1,469</u></b>

(5) Quantitative information on fair value measurement of significant unobservable input values (Level 3)

The fair value measurement of the merged company is classified into level 3 of financial assets at fair value through profit or loss - derivative financial instruments. This source of fair value is a third party quotation, so it is not intended to disclose sensitivity analysis of significant unobservable input values.

(XIX) Financial risk management

The financial risk management objectives and policies of the merged company have not changed significantly from those disclosed in Note 6 (19) of the consolidated financial report of 2023.

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### (XX) Capital management

The capital management objectives, policies and procedures of the merged company are consistent with those disclosed in the consolidated financial report of 2023. In addition, there is no significant change in the aggregate quantitative data of capital management items and those disclosed in the consolidated financial report of 2023. Please refer to note 6(20) to consolidated financial report of 2023 for relevant information.

### (XXI) Changes in liabilities from financial activities

Adjustments to changes in liabilities from financial activities are shown in the following table:

	January 1, 2024	Cash flows	Changes of non-cash	March 31, 2024
Lease liabilities	\$ 3,673	(669)	35	3,039
Deposits received	11	(11)	-	-
Total liabilities from financial activities	<u>\$ 3,684</u>	<u>(680)</u>	<u>35</u>	<u>3,039</u>
	January 1, 2023	Cash flows	Changes of non-cash	March 31, 2023
Lease liabilities	\$ 4,752	(575)	27	4,204
Deposits received	11	-	-	11
Total liabilities from financial activities	<u>\$ 4,763</u>	<u>(575)</u>	<u>27</u>	<u>4,215</u>

## VII. Related Party Transactions

### (I) Name and relationship of related parties

During the period covered by this consolidated financial report, the following related parties had transactions with the merged company:

Name of related party	Relations with merged company
Cai Feng Investments Co., Ltd. (Cai Feng Investments)	Substantive parties
Super Group Semiconductor Co., Ltd. (Super Group Semiconductor)	Affiliated enterprise
Green Solution Technology Co., Ltd. (Green Solution Technology)	"
Chang Kuan Investments Co., Ltd. (Chang Kuan Investments)	Its chairman is the same person as the company
Liang Jia Investments Co., Ltd. (Liang Jia Investments)	"

### (II) Major transactions with related parties

#### 1. Sale to related parties

The merged company's sales amount to related parties and its outstanding balance are as follows:

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

	Sales		Accounts receivable from related parties		
	For the three-month periods ended March 31		March 31,	December 31,	March 31,
	2024	2023	2024	2023	2023
Affiliated enterprises:					
Other Affiliated enterprises	\$ 598	-	640	545	-

There is no significant difference between the sales conditions of the merged company and the general sales price. From January 1 to March 31, 2024 and 2023, the payment conditions were 90 days for monthly close, and the average customer was about 30 days for monthly close to 120 days for the next monthly close.

### 2. Purchase from related parties

The purchase amount and outstanding balance of the merged company from related parties are as follows:

	Purchase		Accounts payable		
	For the three-month periods ended March 31		March 31,	December 31,	March 31,
	2024	2023	2024	2023	2023
Affiliated enterprises:					
Other affiliated enterprises	\$ 24	993	-	1,041	251

In order to provide customers with a complete power management plan, the merged company purchases customized products from related parties. There is no competitive purchase price of the products from the ordinary manufactures. The payment terms from January 1 to March 31, 2024 and 2023 were 30 days for monthly close, while the payment terms of ordinary manufacturers are about 30 days to 90 days for monthly close.

### 3. Purchase labor services from related parties

	Transaction amount		Other payable		
	For the three-month periods ended March 31		March 31,	December	March 31,
	2024	2023	2024	31, 2023	2023
Other related parties:					
Super Group Semiconductor					
- Product development project fees	\$ 5,800	3,400	6,090	3,255	3,570
Super Group Semiconductor					
- Product royalty fees	10,034	9,153	7,464	7,988	2,760
	<u>\$ 15,834</u>	<u>12,553</u>	<u>13,554</u>	<u>11,243</u>	<u>6,330</u>

As of March 31, 2024, December 31 and March 31 of 2023, the new product development contracts and outsourcing design contracts signed by the merged company and its related parties have not yet been recognized due to the failure to reach the agreed development and design stage. Please refer to Note 9 for details.

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### 4. Rental income

Rental income of the merged company arising from leasing offices to related parties is as follows:

	Transaction amount		Other receivable		
	For the three-month periods ended March 31		March 31, 2024	December 31, 2023	March 31, 2023
	2024	2023			
Affiliated enterprises:					
Green Solution Technology	\$ 714	714	250	250	250
Other related parties:					
Other related parties	13	9	50	36	32
	<u>\$ 727</u>	<u>723</u>	<u>300</u>	<u>286</u>	<u>282</u>

The merged company collects rent according to the contract, and the relevant rent is determined by negotiation between the two parties.

### (III) Main management personnel transactions

Remuneration for main management personnel includes:

	For the three-month periods ended March 31,	
	2024	2023
Short-term employee welfare	\$ 6,027	5,830
Post-retirement welfare	8	109
Resignation welfare	-	-
Other long-term welfare	-	-
Share-based payment	-	-
	<u>\$ 6,035</u>	<u>5,939</u>

## VIII. Pledged Assets

Details of the book value of the assets provided by the merged company as collateral are as follows:

Assets name	Pledge guarantee target	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	Bank loan	\$ 97,394	97,394	97,394
- Land				
- Houses and buildings	"	44,768	45,075	45,997
Investing property - Land	"	48,068	48,068	48,068
- Houses and buildings	"	<u>22,144</u>	<u>22,295</u>	<u>22,750</u>
		<u>\$ 212,374</u>	<u>212,832</u>	<u>214,209</u>

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### IX. Major Contingent Liabilities and Unrecognized Contractual Commitments

- (I) The amount of guaranteed promissory notes issued by the merged company as a result of signing loan limit and financial commodity trading limit with financial institutions is as follows.

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Loan limit and financial commodities trading limit	\$ <u>1,093,800</u>	<u>1,075,476</u>	<u>1,053,598</u>

- (II) As of March 31, 2024, December 31 and March 31 of 2023, the amounts of new product development contracts and outsourcing design contracts signed by the merged company that have not yet reached the agreed development and design stage and have not yet applied to the merged company are NT\$ 38,500 thousand, NT\$ 36,100 thousand and NT\$ 32,200 thousand respectively; In addition, the merged company agreed in the new product development contract that when the product enters the mass production stage, it shall pay the royalty fee according to the relevant wafer purchase quantity and the agreed price.
- (III) The merged company signed a capacity guarantee purchase contract with the supplier on May 30, 2018, and due to the agreement on the minimum purchase amount, the deposit amount shall be paid. As of March 31, 2024, December 31 and March 31 of 2023, the deposit amount has been NT\$ 2,500 thousand, NT\$ 5,000 thousand and NT\$ 5,000 thousand respectively under other current assets and other non-current assets.
- (VI) The merged company signed a capacity guarantee purchase contract with the supplier on May 7, 2021, November 30, 2021, and January 28, 2022, and due to the agreement on the purchase amount, the amount shall be paid in advance. As of March 31, 2024, December 31 and March 31 of 2023, the prepaid amount has been NT\$ 65,508 thousand, NT\$ 69,032 thousand and NT\$ 86,364 thousand respectively under other current assets and other non-current assets.

**X. Major disaster losses: None.**

**XI. Major post-date events: None.**

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### XII. Other

The functions of employee benefits, depreciation, depletion and amortization expenses are summarized as follows:

Function	For the three-month periods ended March 31, 2024			For the three-month periods ended March 31, 2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Staff welfare expenses						
Salary expense	9,938	40,384	50,322	9,919	36,035	45,954
Labor and health insurance expenses	1,696	4,094	5,790	934	2,552	3,486
Pension expenses	459	1,426	1,885	466	1,508	1,974
Other employee welfare expenses	563	1,310	1,873	546	1,267	1,813
Depreciation expense	1,968	5,505	7,473	2,115	4,579	6,694
Amortization expense	-	630	630	-	152	152

### XIII. Note to disclosure

#### (I) Information on major transactions

Relevant information on major transactions to be disclosed by the merged company from January 1 to March 31 of 2024 in accordance with the preparation standards is as follows:

1. Loan of funds to others: None.
2. Endorsement and guarantee for others: None.
3. Holding of securities at the end of the period (excluding investment subsidiaries, affiliated enterprises and equity joint ventures): None.
4. Cumulative purchase or sale of the same securities amounts to NT\$ 300 million or more than 20% of the paid-in capital: None.
5. The amount of property acquired amounts to NT\$ 300 million or more than 20% of the paid-in capital: None.
6. The amount of property disposed of amounts to NT\$ 300 million or more than 20% of the paid-in capital: None.
7. Where the amount of purchases and sales to related parties amounts to NT\$100 million or more than 20% of the paid-in capital: None.
8. Receivables from related parties amount to NT\$ 100 million or more than 20% of paid-in capital: None.
9. Engaging in derivative transactions: Please refer to note 6 (2) for details.
10. Business relations and important transactions between parent and subsidiary companies:



## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

No.	Name of trader	Transaction object	Relations with traders	Transaction from January 1 to March 31, 2024			
				Item	Amount	Transaction condition	Ratio to consolidated total operating income or total assets
0	The Company	Power Up Tech Co., Ltd.	Transactions between parent company and subsidiary	Operating expenses	6,826	Before the 25th of the following month	1.30%
0	"	"	Transactions between parent company and subsidiary	Other payable	992	"	0.03%
1	Power Up Tech Co. Ltd.	Wuxi Super GEM Microelectronics Co., Ltd.	Inter-subsidiary transactions	Operating costs	6,637	"	1.27%
1	"	"	Inter-subsidiary transactions	Other payable	960	"	0.03%

Note: Related transactions have been written off when preparing the consolidated financial report.

### (II) Information related to reinvestment:

Information on the Company's reinvestments from January 1 to March 31 of 2024 is as follows (excluding mainland China invested companies):

Unit: NTS thousands/share

Investing company Name	Invested company Name	Area	Major business Item	Original investment amount		Final holding			Invested company Current profit and loss	Current recognized Investment profit and loss	Note
				At end of current period	End of last year	Shares	Ratio	Book amount			
The Company	Jinrong Investment Co., Ltd.	Taiwan	Holding company	150,000	150,000	15,000,000	100.00%	213,719	1,841	1,841	Note 1
"	Power Up Tech Co., Ltd.	Samoa	Holding company	30,744	30,744	1,930,000	100.00%	44,823	2,127	2,127	"
Jinrong Investment Co., Ltd.	Green Solution Technology Co., Ltd.	Taiwan	Manufacturing and Product Design of Electronic Components	48,875	48,875	4,511,514	15.04%	77,494	5,307	798	Note 2
"	Super Group Semiconductor	Taiwan	Integrated Circuit Design Service, Manufacturing	63,880	63,880	1,284,000	36.69%	99,797	2,854	1,047	"

Note 1: The Company's subsidiary. It has been written off when preparing the consolidated financial report.

Note 2: Jinrong Investment's affiliated enterprise.

### (III) Information on Mainland China Investment:

1. Relevant information such as the name and major business items of the invested company in mainland China:

Unit: NTS thousands

Name of mainland Invested Company	Major business items	Paid-in capital	Investing mode	Accumulated investment amount remitted from Taiwan at beginning of current period	Amount of investment remitted or recovered in current period		Accumulated investment amount remitted from Taiwan at end of current period	Invested company Current profit and loss	Shareholding ratio of Company's direct or indirect investment	Investment profits and losses recognized for current period	Book value of final investment	Remitted back investment income as of end of current period
					remitted	recovered						
Wuxi Super GEM Microelectronics Co., Ltd.	Metal oxide semiconductor manufacturing, development and sales business, product quality monitoring and testing services; Selling self-produced products	33,966	Note 1	61,463	-	-	61,463	934	100.00%	934	15,061	-

Note 1: Indirect investment through third place Power Up Tech Co., Ltd.

Note 2: The investment industry above has been written off when preparing the consolidated financial report.

## Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

### 2. Limit of investment in mainland region:

<b>Accumulated investment remitted from Taiwan to mainland region at end of current period</b>	<b>Investment amount approved by MOEAIC</b>	<b>Investment limit in mainland regulated by MOEAIC</b>
61,463	61,463	1,730,485

### 3. Major transactions with mainland invested companies:

From January 1 to March 31 of 2024, the direct or indirect major transactions between the merged company and mainland invested companies, Please refer to note 13(1) “Business Relationships and Important Transactions between Parent and Subsidiaries” for details. The above transaction has been written off when preparing the consolidated financial report.

### (IV) Information on Major Shareholders:

<b>Name of major shareholder</b>	<b>Shares</b>	<b>Holding share</b>	<b>Holding proportion</b>
Liangjia Investments Co., Ltd.		3,880,498	5.46%

## XIV. Department Information

### (I) General information

The main revenue of the merged company comes from the sales of power MOSFET, and the main operating decision-makers of the merged company use the overall operating results as the basis for evaluating performance. According to this, the merged company is a single operating department, and the operating department information of January 1 to March 31 of 2024 and 2023 is consistent with the consolidated financial report information.

### (II) Information on department profits and losses, department assets, and their measurement basis and reconciliation shall be reported.

Information on department profit and loss, department assets and department liabilities of the merged company is consistent with the consolidated financial report. Please refer to the consolidated balance sheet and consolidated income statement for details.